

Message Text

CONFIDENTIAL

PAGE 01 KINSHA 04988 100531Z

11

ACTION SS-25

INFO OCT-01 ISO-00 /026 W

----- 111423

R 091500Z JUN 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 3001

INFO AMEMBASSY BRUSSELS

AMEMBASSY PARIS

C O N F I D E N T I A L KINSHASA 4988

EXDIS

E.O. 11652: GDS

TAGS: EFIN EMIN CG US

SUBJECT: SMTF AND FINANCIAL SITUATION

REF: STATE 130995 (NOTAL)

1. MAJOR PART OF MAURICE TEMPELSMAN-LARRY DEVLIN MEETING WITH PRESIDENT MOBUTU JUNE 7 WAS DEVOTED TO BRIEFING PRESIDENT ON STATUS SMTF PROJECT WITH FOLLOW-ON DISCUSSION OF NEED TO REESTABLISH CONFIDENCE AMONGST BANKERS THAT ZAIRAIAAN ECONOMIC SITUATION BEING TURNED AROUND.

2. TEMPELSMAN, WHO KNOWS HOW TO PLAY MOBUTU, LAID OUT THE FACTS ON THE FINANCIAL POSITION AND LET THE FACTS CARRY THE MESSAGE THAT MOBUTU'S REAL FRIENDS WERE THE AMERICANS. IN TALKING OF FINANCING, HE DROPPED NAMES OF DAVID ROCKEFELLER AND WALTER WRISTON, WAS BRIEFED BY MOBUTU BRIEFED HIM ON WHAT TO SAY ON TV COMING OUT (MOBUTU IS RESERVING ANNOUNCEMENT ABOUT AMOUNT OF INVESTMENT FOR HIMSELF BUT TEMPELSMAN INDICATED--AS WOULD SIGNING SESSION IN JULY--THAT PROJECT IN AND BY ITSELF IS EXPRESSION OF CONFIDENCE IN MOBUTU BY US).

3. TEMPELSMAN ALSO REVIEWED FOR MOBUTU THE UNDERSTANDINGS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINSHA 04988 100531Z

THAT THE CREDIT OF THE GOZ WOULD NOT BE INVOLVED IN

FINANCING BUT THAT, ON THE CONTRARY, POLITICAL ASSURANCES WOULD BE. HE APPARENTLY HAD ONE ROUGH MOMENT SINCE HE MENTIONED SOME LETTERS WITH WHICH THE PRESIDENT WAS APPARENTLY NOT FAMILIAR. IT WAS AGREED, HOWEVER, THAT BISENGIMANA AND TEMPELSMAN WOULD REVIEW THE ENTIRE DOCUMENTATION THIS MONDAY (JUNE 9). INCIDENTALLY, TEMPELSMAN TOLD MOBUTU OF HOW DIFFICULT IT HAD BEEN FOR DEVLIN AND HIMSELF TO GET APPOINTMENTS WITH BISENGIMANA AND MOBUTU SOLVED THAT ONE THEN AND THERE.

4. WHEN THIS, THE HONEY SIDE, OF THE CONVERSATION HAD GONE DOWN WELL, TEMPELSMAN BEGAN TO EXPLAIN THAT EVEN THOUGH THE BANKERS WOULD PROBABLY SIGN, THEY WOULD BE RELUCTANT TO PERMIT DRAWINGS UNTIL THEY WERE CONVINCED THE ZAIRIAN ECONOMY WAS ON THE ROAD TO RECOVERY. MOBUTU INTERJECTED THAT, "I AM CUTTING EXPENSES, I HAVE PUT A SALARY CEILING ON, AND YOU'LL SOON SEE GOOD RESULTS." TEMPELSMAN SAID, YES, HE WAS SURE OF THAT, BUT ALL THE MORE REASON TO HAVE THE IMF ASSOCIATED WITH THE RESULTS AND HE GAVE MOBUTU THE LIST OF COUNTRIES HAVING STANDBYS (PROVIDED REFTEL). MOBUTU'S REACTION WAS THAT HE WOULD TALK TO THE FUND'S MR. DINI THE END OF SEPTEMBER. HE ALSO DIGRESSED AT THIS POINT ON THE FRENCH WHOM HE SAID HE DID NOT MUCH LIKE BUT WHO WERE VERY CLEVER. A SENOR FRENCHMAN (PRESUMABLY BOUCHINET SERROULLES, PRESIDENT OF THE FRENCH-ZAIRIAN FRIENDSHIP ASSOCIATION) HAD SEEN HIM AND TOLD HIM FRANCE HAD MISJUDGED IRAN IN THE EARLY 60'S AND HAD PASSED UP OPPORTUNITIES TO BUILD AUTO PLANTS IN BRAZIL IN FAVOR OF ARGENTINA AND THAT FRANCE WOULD NOT MAKE THE SAME MISTAKE IN ZAIRE. FRANCE COULD SEE THAT THE TEMPORARY PROBLEMS WOULD BE OVERCOME AND FRANCE WOULD HELP DURING THE PRIOD OF DIFFICULTIES.

5. TEMPELSMAN THEN INDICATED THAT THE FRENCH PARTNERS IN SMTF DID NOT SEEM TO BE SO FARSIGHTED. MENTION OF THE BANQUE DE PARIS & PAYS BAS EVOKED AN EXPLOSION FROM MOBUTU TO THE EFFECT THAT THEY HAD ADVISED THE IRANIANS NOT TO LEND ZAIRE MONEY NOW, PLUS AN INDICATION THAT MOBUTU THOUGHT A BIG LOAN FROM IRAN MIGHT YET EVENTUATE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KINSHA 04988 100531Z

6. TEMPELSMAN TALKED A LITTLE BIT ABOUT THE TIME PROBLEM IF ONE WAITED FOR IMF UNTIL THE END OF SEPTEMBER BUT SAID THAT IN ANY CASE THE INTERIM COULD BE WELL USED IN TAKING IRVING FRIEDMAN OF FNCB UP ON HIS OFFER TO SERVE AS INTERMEDIARY WITH THE BANKS. MOBUTU SAID, "OK, I'LL INVITE HIM OUT HERE WITHIN WEEK."

7. ALTHOUGH TEMPELSMAN'S JUDGMENT IS THAT IMF STAND-BY COUNTRIES LIST MADE REAL IMPACT ON MOBUTU, IT APPEARS THAT AS OF NOW MOBUTU IS CONTINUING HIS SELF-HELP POLICY AND HIS SEARCH FOR FOREIGN MONEY. IN LATTER RESPECT, HE SEEMS TO BE CLOSE TO GETTING PERHAPS ENOUGH MONEY TO TIDE HIM OVER. I TOLD TEMPELSMAN THAT A WELL-PLACED FRIEND OF MINE HAD STOPPED BY TO SEE ME AND HAD TOLD ME THAT ZOLA, HEAD OF SOZACOM (GOZ MINERAL MARKETING ORGANIZATION), IS OFF TO PARIS TO CONCLUDE NEGOTIATIONS FOR \$100 MILLION FROM FRENCH AND THAT SAME SOURCE HAD TOLD ME NEGOTIATIONS ARE FAR ADVANCED WITH UNKNOWN ARAB COUNTRY FOR ANOTHER LOAN OF UNKNOWN AMOUNT. MY SOURCE IS SERGE GUETTA OF IBRD BUT I DID NOT MENTION HIS NAME TO TEMPELSMAN. GUETTA SAID THAT THE ARAB LOAN WAS THE PRICE EXACTED BY MOBUTU FOR AGREEING TO OPEN THE PLO OFFICE HERE. GUETTA ALSO SAID THAT FOREIGN MINISTER BULA HAD BEEN OPPOSED TO THIS BUT HE PURPORTED NOT TO KNOW WHY, NOR DO I. TEMPELSMAN THEN TOLD ME THAT IT WAS HIS UNDERSTANDING THAT THERE WAS YET ANOTHER ARAB LOAN (NOT ABU DHABI) WHICH WAS ALREADY BEING DRAWN ON. THUS, IT MAY BE THAT MOBUTU IS GRADUALLY ASSEMBLING ENOUGH FINANCING TO SEE HIM THROUGH UNTIL DINI RETURNS TO KINSHASA PER THEIR ORIGINAL SCHEDULE.

HINTON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CRISIS, ECONOMIC CONDITIONS, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JUN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KINSHA04988
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750201-0640
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750669/aaaacktp.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: 75 STATE 130995
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by ElyME>; APPROVED <08 DEC 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SMTF AND FINANCIAL SITUATION
TAGS: EFIN, EMIN, ECON, CG, US, (MOBUTU, SESE SEKO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006